S6615-2

July 1991

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon *(Seasonally Adjusted)*

May	1991	5.9
April	1991	5.8
May	1990	5.2

United States *(Seasonally Adjusted)*

May	1991	6.9
April	1991	6.6
May	1990	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon *(1977=100)*

May	1991	134.1
April	1991	134.1
March	1991	134.8
February	1991	134.9
January	1991	135.2

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

April	1991	$11.44
March	1991	$11.45
April	1990	$11.10

PRODUCTION WORKER AVERAGE WEEKLY HOURS

April	1991	39.1
March	1991	39.0
April	1990	40.1

CONSUMER PRICE INDEX (CPI)
1982-84 = 100
All Urban Customers

Portland-Vancouver

July-Dec. 1990	129.8
Yearly Change	6.7%
Annual Average 1990	127.4
Annual Change	5.8%

United States

May 1991	135.6
Yearly Change	5.0%
Annual Average 1990	130.7
Yearly Change	5.4%

Portland Hotline (503) 362-4132

1991 GRADUATES FACE NEXT TEST - FINDING A JOB

Donna Johnson

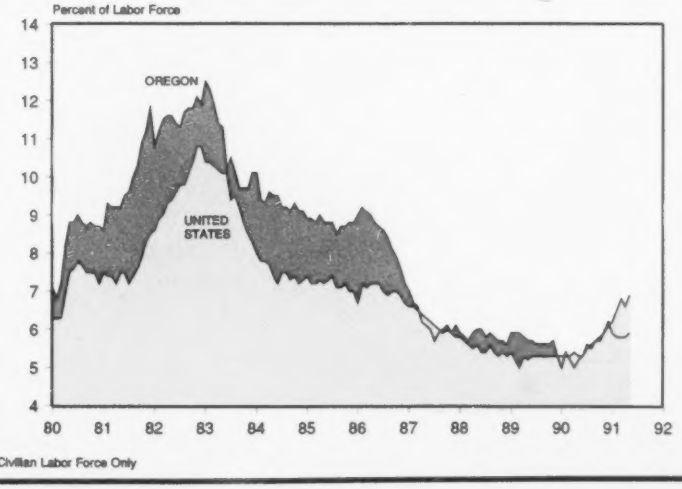
As the strains of "Pomp and Circumstance" have faded for Oregon graduates, a wave of new faces have entered the labor force and the circumstances they face may be much different than they anticipated. The dreams of the ideal jobs to be had when the coveted diploma was earned may not be the realities many are finding. A spring political cartoon depicting a graduate holding a sign which read "Will Work For Food" is a grim picture and probably not quite factual in Oregon.

. . . the emphasis in hiring is tending to be away from manufacturing positions and toward services, health care, sales and marketing.

Projections developed jointly by the Oregon State System of Higher Education, Oregon Department of Education, and Office of Educational Policy and Planning indicate about 26,500 Oregon students will graduate from high school this year. Another 16,500 students will complete four year college programs or advanced degrees. Approximately 5,000 students will earn associate degrees. Previous studies estimate about 60% of high school students and 80% of college graduates seek employment. Using these estimates, about 33,000 possible applicants will enter the labor force and be joined by an estimated 18,000 new residents migrating to Oregon and seeking employment.

As the 1991 graduates entered high school or college in 1987, Oregon's economy was gaining strength and optimism was evident. The unemployment rate had drastically dropped from 8.5% in the previous year to a much friendlier 6.2% in 1987, matching the U.S. rate for the first time since about 1978. All industrial sectors, except mining, were showing increases in employment. It appeared that any profession or course of study for students would be a safe bet. The trend had begun, however, for greater employment increases in service-producing industries than in goods-producing ones. As the four year schooling cycle progressed, continued increases were seen in all sectors of employment through

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	MAY 1991 1/	APR. 1991 2/	MAY 1990	CHANGE FROM APR. 1991	CHANGE FROM MAY 1990
TOTAL 5/	1,259,800	1,248,900	1,253,300	10,900	6,500
WAGE & SALARY EMPLOYMENT INDEX 6/	134.1	134.1	133.5	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	260,400	256,200	272,000	4,200	- 11,600
SERVICE PRODUCING INDUSTRIES 8/	999,400	992,700	981,300	6,700	18,100
TOTAL MANUFACTURING	205,100	204,100	217,800	1,000	- 12,700
DURABLE GOODS	147,700	147,200	159,500	500	- 11,800
LUMBER & WOOD PRODUCTS	56,700	55,700	64,700	1,000	- 8,000
LOGGING	9,700	9,100	10,900	600	- 1,200
SAWMILLS	19,200	19,500	22,300	- 300	- 3,100
VENEER & PLYWOOD	11,700	11,500	14,900	200	- 3,200
MILLWORK & STRUCTURAL WOOD	9,900	9,500	10,700	400	- 800
MOBILE HOMES	2,100	2,100	1,900	0	200
OTHER WOOD PRODUCTS	4,100	4,000	4,000	100	100
FURNITURE AND FIXTURES	3,000	3,000	3,100	0	- 100
STONE, CLAY, GLASS & CONCRETE	4,300	4,200	4,200	100	100
PRIMARY METALS	11,300	11,300	11,100	0	200
BLAST FURNACES, IRON & STEEL 9/	5,900	5,900	5,600	0	300
NONFERROUS METALS 9/	5,400	5,400	5,500	0	- 100
FABRICATED METALS	11,200	11,000	11,500	200	- 300
FABRICATED STRUCTURAL METALS	4,900	4,700	4,900	200	0
OTHER FABRICATED METALS	6,300	6,300	6,600	0	- 300
MACHINERY	16,000	16,300	18,000	- 300	- 2,000
OFFICE & COMPUTING MACHINES	4,300	4,300	4,600	0	- 300
OTHER MACHINERY	11,700	12,000	13,400	- 300	- 1,700
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,400	17,400	17,500	0	- 100
TRANSPORTATION EQUIPMENT	12,400	12,700	13,200	- 300	- 800
INSTRUMENTS & RELATED PRODUCTS 9/	11,600	11,700	12,200	- 100	- 600
MISCELLANEOUS MANUFACTURING	3,800	3,900	4,000	- 100	- 200
NONDURABLE GOODS	57,400	56,900	58,300	500	- 900
FOOD & KINDRED PRODUCTS	21,600	21,100	22,300	500	- 700
CANNING & PRESERVING	10,400	9,800	10,900	600	- 500
OTHER FOOD PRODUCTS	11,200	11,300	11,400	- 100	- 200
TEXTILE MILL PRODUCTS	1,500	1,500	1,600	0	- 100
APPAREL	2,700	2,700	2,900	0	- 200
PAPER & ALLIED PRODUCTS	9,200	9,300	9,100	- 100	100
PRINTING & PUBLISHING	14,400	14,300	14,000	100	400
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,300	0	0
PETROLEUM & ASPHALT PRODUCTS	600	600	600	0	0
RUBBER & PLASTIC PRODUCTS	4,600	4,600	5,000	0	- 400
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,054,700	1,044,800	1,035,500	9,900	19,200
MINING & QUARRYING	1,700	1,600	1,600	100	100
CONSTRUCTION	53,600	50,500	52,600	3,100	1,000
BUILDING CONSTRUCTION	11,900	11,000	13,600	900	- 1,700
HEAVY CONSTRUCTION	8,400	7,400	7,300	1,000	1,100
SPECIAL TRADE CONTRACTORS	33,300	32,100	31,700	1,200	1,600
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,300	64,000	64,000	300	300
TRANSPORTATION	42,700	42,500	42,500	200	200
RAILROAD	3,700	3,700	3,800	0	- 100
TRUCKING & WAREHOUSING	24,100	24,000	24,300	100	- 200
OTHER TRANSPORTATION	14,900	14,800	14,400	100	500
COMMUNICATIONS	12,300	12,200	12,300	100	0
UTILITIES	9,300	9,300	9,200	0	100
TRADE	314,800	312,400	310,000	2,400	4,800
WHOLESALE TRADE	80,400	81,000	78,500	- 600	1,900
DURABLE GOODS	46,800	46,600	45,900	200	900
MACHINERY, EQUIPMENT, & SUPPLIES	10,600	10,600	10,800	0	- 200
OTHER DURABLE GOODS	36,200	36,000	35,100	200	1,100
NONDURABLE GOODS	33,600	34,400	32,600	- 800	1,000
GROCERIES & RELATED PRODUCTS	11,800	12,400	11,600	- 600	200
OTHER NONDURABLE GOODS	21,800	22,000	21,000	- 200	800
RETAIL TRADE	234,400	231,400	231,500	3,000	2,900
BUILDING MATERIALS & GARDEN SUPPLIES	9,100	9,100	8,800	0	300
GENERAL MERCHANDISE	29,300	28,900	29,400	400	- 100
FOOD STORES	39,000	38,200	38,800	800	200
AUTO DEALERS & SERVICE STATIONS	27,900	27,900	28,300	0	- 400
APPAREL & ACCESSORY STORES	9,600	9,400	9,500	200	100
FURNITURE & HOME FURNISHINGS	9,000	9,300	9,600	- 300	- 600
EATING & DRINKING PLACES	86,500	84,600	83,500	1,900	3,000
MISCELLANEOUS RETAIL	24,000	24,000	23,600	0	400
FINANCE, INSURANCE, & REAL ESTATE	81,900	81,200	79,200	700	2,700
FINANCE	28,500	28,600	28,400	- 100	100
INSURANCE	23,200	23,100	23,000	100	200
REAL ESTATE	30,200	29,500	27,800	700	2,400
SERVICES	305,000	303,800	295,800	1,200	9,200
HOTELS & OTHER LODGING PLACES	20,700	20,100	19,700	600	1,000
PERSONAL SERVICES	11,100	11,200	10,800	- 100	300
BUSINESS SERVICES	50,000	48,600	50,600	1,400	- 600
AUTOMOTIVE & MISC. REPAIR SERVICES	17,000	17,100	16,900	- 100	100
MOTION PICTURES & AMUSEMENTS	14,100	14,700	14,100	- 600	0
HEALTH SERVICES	87,000	87,200	84,200	- 200	2,800
LEGAL SERVICES	9,100	9,100	8,800	0	300
PRIVATE EDUCATION	17,400	17,900	14,400	- 500	3,000
SOCIAL SERVICES	28,300	28,100	27,800	200	500
ENGINEERING & MANAGEMENT SERVICES	21,600	21,600	20,900	0	700
OTHER SERVICES & NEC	28,700	28,200	27,600	500	1,100
GOVERNMENT	233,400	231,300	232,300	2,100	1,100
FEDERAL GOVERNMENT	33,900	33,300	36,600	600	- 2,700
STATE GOVERNMENT	62,500	62,500	61,300	0	1,200
EDUCATION	26,300	26,300	26,000	0	300
OTHER STATE	36,200	36,200	35,300	0	900
LOCAL GOVERNMENT	137,000	135,500	134,400	1,500	2,600
EDUCATION	87,800	86,900	85,300	900	2,500
OTHER LOCAL	49,200	48,600	49,100	600	100
LABOR-MANAGEMENT DISPUTES 10/	0	0	500	0	500

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	MAY 1991 1/	APR. 1991 2/	MAY 1990	CHANGE FROM APR. 1991	CHANGE FROM MAY 1990
CIVILIAN LABOR FORCE 3/	1,511,900	1,508,900	1,488,400	3,000	23,500
UNEMPLOYMENT	87,300	88,800	75,300	1,500	12,000
PERCENT OF LABOR FORCE	5.8	5.9	5.1	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.9	5.8	5.2	XXX	XXX
TOTAL EMPLOYMENT 4/	1,424,600	1,420,100	1,413,100	4,500	11,500

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

1987, 1988 and 1989 except in the Northwest's important lumber and wood products industry. The year 1988 was beset by labor disputes as well as forest fires, logging restrictions, and the retooling of mills to increase production using smaller second-growth logs. This reduction has continued to the present. Reasons for the decreases have changed, however, from computerized sawmills requiring fewer employees to our current situation of logging restrictions because of the spotted owl and market conditions created by recessionary declines in construction activity nationally. And further restrictions may be forthcoming as a result of the U.S. Fish and Wildlife Service's recent proposal to also list the marbled murrelet as a threatened or endangered species. The federal government now has one year in which to make a final decision.

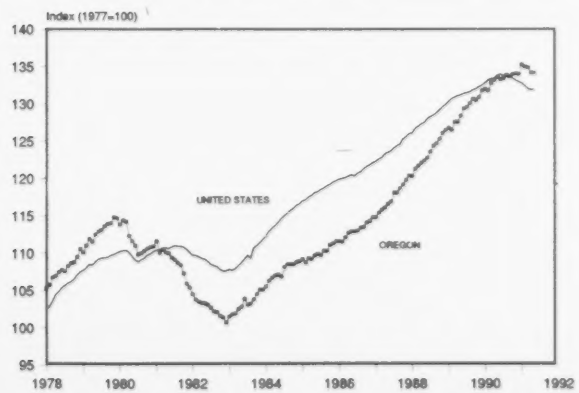
As the classes of 1991 entered their senior year, the decrease in lumber and wood was joined by employment reductions in manufacturing of other durables and also in the transportation, communication and utilities sector. In spite of these reductions, total wage and salary employment posted the following gains between May-May of each year of the students' education cycle.

1986-1987	35,200
1987-1988	52,900
1988-1989	56,600
1989-1990	48,700
1990-1991	6,500

The Oregon Executive Department predicts the addition of about 19,000 new jobs due to industry growth in 1991. Students starting high school or college four years ago could have anticipated finding a career in nearly any industrial sector as all industries were growing. However, after the completion of four years, a reassessment of career direction may be necessary as the emphasis in hiring is tending to be away from manufacturing positions and toward services, health care, sales and marketing. The willingness to deal with people and the ability to use computers are skills which graduates are going to find necessary in the current job market. Individuals entering the job market will discover that fewer companies are actively recruiting on campuses as competition for prime positions is growing. Companies are being more cautious about hiring due to the slow economy. State and local governments are cutting back as the result of anticipated tax cuts.

Nationwide, many positive signs of economic recovery are being noted which should encourage job seekers . . .

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



Some companies are relocating to areas where labor costs are less. Competition for positions is increasing as older, experienced workers and in-migrants from other states are applying for positions. It is imperative that those entering the labor force target their own abilities and channel their efforts toward positions which seem strong at this time. An accompanying table reflects the 20 occupations in Oregon expected to have the highest number of openings in 1991. The new openings are a sum of newly created positions due to industry growth plus openings created by death, retirement, disability or other permanent separation from the labor force. A second table shows the projected employment and openings by broad career clusters.

These charts are a good indication of where the demand for employees is and will continue to be in the near future. As we enter the third quarter of 1991, most economists are cautiously optimistic that the national recession which started in July 1990 will end soon. Just as economists were slow to use the term "recession" a year ago, many are slow to use the word "recovery" at this point in time. Nationwide, many positive signs of economic recovery are being noted which should encourage job seekers:

- The Commerce Department's index of leading economic indicators rose 0.6% in April, the third consecutive monthly increase.
- Industrial output jumped 0.5% in May, up for the second month in a row, posting the largest gain since June 1990.
- Consumer prices rose only 0.3% in May easing inflation fears.
- Inventories declined 0.5% in April.
- The Dow Jones Industrial Average remained strong.
- Retail sales jumped 1% in May.

OREGON'S TOP 20

Job Title	1991 Projected New Openings
Salespersons	3,473
Janitors & Cleaners	1,799
Bookkeeping & Accounting Clerks	1,543
General Office Clerks	1,538
Combined Food Prep/Service Wkrs	1,418
General Managers/Top Executives	1,241
Registered Nurses	1,198
Other Secretaries	1,159
1st Line Supervisors:Sales & Related	1,118
Cashiers	910
Nurses Aides,Orderlies,Attendants	789
Guards & Watch Guards	786
Truck Drivers: Heavy & Tractor Trailer	707
Maids & Housekeeping Cleaners	705
Sales Agents - Real Estate	680
Receptionists/Information Clerks	665
1st Line Supv: Clerical & Admin	664
Sales Reps: Non Technical	656
Teachers/Elementary	595
Other Helpers, Laborers, Movers	540

Projected Job Openings from the Occupational Program Planning System, Oregon Employment Division

PROJECTED EMPLOYMENT DEMAND
OREGON -- 1991

	Projected Employment	Projected Openings	% of Total Openings
Marketing	210,902	12,181	20.9
Service Occupations	183,697	7,910	13.6
Office Systems	154,770	6,912	11.9
Hospitality, Tourism	153,583	8,203	14.1
Health Occupations	70,560	4,159	7.2
Mechanical Technology	60,654	2,632	4.5
Construction Technology	48,085	1,772	3.0
Agriculture/Agribusiness	45,981	1,922	3.3
Accounting/Financial	44,521	2,499	4.3
Manufacturing Technology	30,405	1,096	1.9
Forestry	23,508	317	.5
Electronics Technology	21,345	874	1.5
Communications	17,484	846	1.4
Clothing	6,997	482	.8
Child Care	2,689	148	.3
Other **	172,390	6,201	10.7
Statewide Total	**1,247,571**	**58,154**	**100.0***

** Total may be off due to rounding*

*** Includes: Technicians, Scientists, Assemblers, Non-Ag Laborers*

- Unemployment claims dropped for four consecutive weeks beginning with the week ending May 11th and continuing through the week ending June 1.
- Sales of cars, vans and pickups rose 9.4% in early June.
- The average hourly pay for factory workers rose in May from $11.10 to $11.15.
- Factory orders and shipments rose.
- Sales of new homes and building permits increased.

The "Seasonally Adjusted Unemployment Rates" graph at the bottom of the first page comparing the U.S. and Oregon unemployment rates shows that the normal relationship is for Oregon's rate to exceed the nation's. However, in 1990 and the first five months of 1991, this normal relationship has undergone a change. During 1990, the U.S. and Oregon's seasonally adjusted rates seemed to be playing tag with one another. But, with the beginning of 1991, the national rate continued to climb and Oregon's rate fell, and has almost gone into the doldrums. Since October 1990, Oregon's rate has remained in the 5.8 to 5.9 percent range except for a rise to 6.2 percent in December. While this level for the first five months of the year is decidedly higher than January-May 1990, it marks a substantial deviation from the national trend and recent historical pattern. One explanation for this change might be Oregon's much stronger population growth and construction activity. However, any prognostication as to whether we are seeing some sort of watershed change in Oregon's relationship to the nation is still premature. It is safe to say, however, that for Oregon's seasonally adjusted rate to rise to the national level this year would require a substantial slowing of Oregon's economy.

Logging is now at its lowest May employment level in over 20 years.

The recently released employment news for Oregon did not show a slowing of the economy in May, but appeared to show stability in most industry sectors. Although stability may sound encouraging for a nation that has been experiencing a recession since July 1990, stability is not the word which entrants to the labor force want to hear as they search for the perfect job or that entry-level job which they foresee as a first step towards a career.

After significant decreases since January in seasonally adjusted total nonagricultural employment, the slight decrease of 100 from April to May was another sign of what some economists are referring to as a flattening of the economy. A closer look at each industrial sector shows a seasonally adjusted decrease in all manufacturing industries.

Lumber and wood products, the industry which has been closely monitored because of the logging restrictions and market conditions, did show a gain of 1,000 employees. In a typical May, however, employment would have increased by 1,300. Logging is now at its lowest May employment level in over 20 years. Several sawmills and planing mills reported layoffs due to market conditions and the log supply shortage. Veneer and plywood mills (+200) and millwork and structural wood (+400) showed meager positive signs as some mills hired workers previously laid off during temporary shutdowns.

Other durable manufacturing industries, some of which have provided stable jobs in the past for many new entrants to the labor force, continue to show monthly employment losses with several segments contributing to the decline. Ship repair (-200), which hit all-time highs in the latter part of 1990, continues to fluctuate depending on contracts. Other electrical equipment and supplies (-200), a manufacturing industry which was at all-time highs in 1990, has been experiencing a steady decline in the first five months of the year. Other machinery (-300) has reverted to employment levels last experienced in the first quarter of 1988.

Stable employment patterns were seen in the food and kindred products sector and in other nondurable industries. Printing and publishing (+100) has leveled off over the past eight months as demand for newspaper, periodical, and business printing reached a plateau at the onset of the national recession.

Brighter employment news was noted in the nonmanufacturing industries with an overall seasonally adjusted increase of 1,500 jobs, nearly offsetting the corresponding loss of 1,600 jobs in the manufacturing industries. All the major sectors of construction -- building contractors, heavy construction, highway and street construction, and other special trade contractors -- all added employment between April and May. Since the direction of the construction industry directly affects so much of the economy of Oregon, this sector will definitely be closely watched for any change.

The other continuing bright star and hope for additional future jobs was in the services sector where a seasonally adjusted gain of 1,800 was the largest increase of any major industry sector. Hotels and other lodging places (+600) is doing well, employing 1,000 more than last May. The ever volatile employment services (+1,200) rebounded from its April drop. With the end of the ski season, amusements and recreational services (-600) took the typical late spring descent, but will likely rebound with the advent of summer activities.

. . . Oregon has weathered the recession much better than the nation.

Although the government sector added 2,100 jobs from April to May, this was less than the expected 3,300. This weak hiring may be attributable to fewer elections in May or more elections conducted by mail-in ballot. Other local education (+1,100) rose slightly less than expected as the school year was coming to a close.

In looking at the past year, Oregon has weathered the recession much better than the nation. This, along with the positive national signs pointing toward a stronger economy should encourage those entering the labor force. However, with increased competition, a limited number of job openings, and changes in occupational demand, it will be necessary to utilize all resources to find that job which may lead to a promising career.

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

May 1991

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,511,900	1,424,600	87,300	5.8
Eugene MSA[2]	149,800	140,600	9,200	6.1
Medford MSA[3]	73,070	67,390	5,680	7.8
Portland PMSA[4]	702,700	670,700	32,000	4.6
Salem MSA[5]	140,200	132,300	7,900	5.6
Baker	6,940	6,300	640	9.2
Benton	39,240	37,920	1,320	3.4
Clatsop	18,440	17,450	990	5.4
Columbia	18,440	17,200	1,240	6.7
Coos	27,380	25,090	2,290	8.4
Crook	7,140	6,560	580	8.1
Curry	10,150	9,610	540	5.3
Deschutes	43,670	40,990	2,680	6.1
Douglas	45,420	41,420	4,000	8.8
Gilliam	1,080	1,050	30	2.8
Grant	4,330	3,850	480	11.1
Harney	3,990	3,660	330	8.3
Hood River	9,340	8,120	1,220	13.1
Jefferson	7,070	6,660	410	5.8
Josephine	26,320	24,100	2,220	8.4
Klamath	25,690	23,450	2,240	8.7
Lake	3,840	3,490	350	9.1
Lincoln	20,340	19,340	1,000	4.9
Linn	44,320	40,860	3,460	7.8
Malheur	14,460	13,310	1,150	8.0
Morrow	3,160	2,810	350	11.1
Sherman	870	830	40	4.6
Tillamook	9,550	9,000	550	5.8
Umatilla	29,290	27,000	2,290	7.8
Union	11,400	10,470	930	8.2
Wallowa	3,730	3,360	370	9.9
Wasco	9,840	9,120	720	7.3
Wheeler	630	540	90	14.3

[1]Not Seasonally Adjusted
[2]Lane County
[3]Jackson County
[4]Clackamas, Multnomah, Washington, Yamhill counties
[5]Marion and Polk counties

OREGON'S AGRICULTURAL SECTOR

Mike Martin

(Editor's note: Mike Martin is a professor of agricultural and resource economics at Oregon State University. This is the conclusion of a two-part article on Oregon agriculture which began in last month's issue of Oregon Labor Trends.)

Regional Development Impacts of Agricultural Economic Change

The changing economic geography of Oregon's agriculture is having a paradoxical impact on subregional economic development and employment. Many of the high-valued crops in western Oregon require considerable labor, particularly for harvesting. Additional labor is utilized in handling and processing. Thus, agriculture in western Oregon creates a relatively large number of jobs. Moreover, because of their relative labor intensity, production and processing of these crops has a high multiplier effect on local economies. As a consequence, agriculture practiced in western Oregon makes important economic contributions to income and employment in rural communities.

. . . agriculture in western Oregon creates a relatively large number of jobs . . . much of the agricultural production of eastern and central Oregon is capital-intensive.

Conversely, much of the agricultural production of eastern and central Oregon is capital-intensive. Relatively few jobs are created at the farm level. Most commodities are shipped out-of-state for processing. The local economic impact is considerably less than in western Oregon.

However, rural communities in eastern and central Oregon rely much more heavily on agriculture than do communities in western Oregon. Western Oregon's rural economies tend to be more diverse and more dynamic than most of those east of the Cascades.

The paradox is that central and eastern rural economies rely heavily on the lowest impact, least dynamic segments of Oregon's agriculture. Western Oregon's rural economies rely less on agriculture but benefit from the most rapidly growing agricultural subsectors.

The changing structure and shifting geography of Oregon agriculture has significant implications for agriculturally related and induced employment. Retirement of agricultural lands, farm consolidations and increased mechanization in traditional agriculture, practiced east of the Cascades, has meant that the number of on-farm jobs has declined. Moreover, surplus family labor has been released from farming to seek other employment opportunities. During the agricultural recession of the first two-thirds of the 1980s, a number of farms experienced economic stress. In turn, farm-related businesses also came under severe financial pressure. Farm suppliers, farm lenders and farm product merchandisers in the traditional farming areas of Oregon failed.

The loss of these businesses has adversely affected many rural communities in eastern and central Oregon. As agriculture has recovered, there has not been a commensurate recovery in rural communities. Decreased production of wheat, associated with the federal Conservation Reserve Program, has reduced demand for a number of farm inputs and for merchandising services. In Wasco, Sherman, Gilliam, Morrow and Umatilla counties, rural businesses and rural communities have experienced loss of income and loss of employment associated with this policy-induced reduction in grain production.

This has led to population outmigration in a number of these counties. Over the past decade, Gilliam, Wheeler, Harney, Sherman, Baker, Wasco and Wallowa counties have all experienced population declines. These same counties, except for Gilliam, have also had unemployment rates consistently above the state average.

At the same time, agriculturally related employment in western Oregon has grown. A number of crops are labor-intensive in both planting and harvesting. While many of the jobs created in the direct production of agricultural commodities are seasonal in nature, increased processing has created more year-round employment in western Oregon's rural communities.

. . . farm labor demand and induced employment creation may be more unstable in the future.

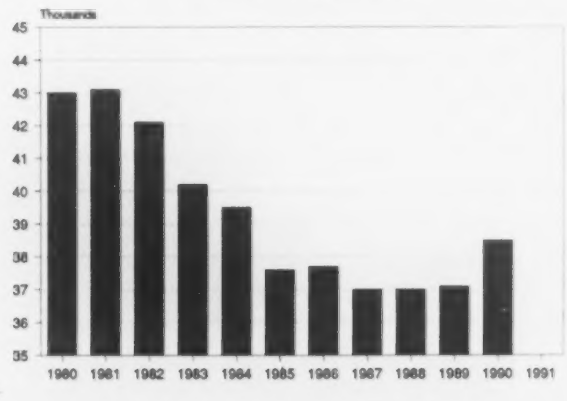
Seasonal demand for harvest labor peaks at about 55,000 workers in June. These workers are drawn to Oregon primarily to harvest the strawberry crop. They remain in the state to serve harvested crops later, including cherries, apples, pears, grapes and hops. The high value of these crops along with their processing creates a significant multiplier effect in the rural subregions as well as in the state's aggregate economy.

Challenges and Problems Facing Oregon's Agriculture

The increasing internationalization of markets for raw and processed commodities from Oregon creates new marketing opportunities but also adds volatility to the agricultural economy. As a consequence, farm labor demand and induced employment creation may be more unstable in the future.

Many segments of Oregon's agriculture face conflict over natural resource use. The listing of endangered Columbia-Snake River salmon species could lead to reduced use of the river for irrigation, electrical power generation and transportation. All of these will affect agricultural incomes and employment.

OREGON AGRICULTURAL EMPLOYMENT
ANNUAL AVERAGES, 1980-1990



The application of pesticides and other chemicals to agricultural crops has raised concern both for worker safety as well as food quality. Farm workers are often exposed to chemicals which could be hazardous to their health. Consumers have expressed concern over pesticide residue on both fresh and processed products. Changes in regulation of pesticide use and applications may directly affect farming practices and, in turn, farm employment.

New and emerging international trade arrangements will likely affect marketing opportunities for many Oregon agricultural products. On balance, the U.S.-Canadian Free Trade Agreement, currently being implemented, should favorably impact Oregon's agricultural export sales. The proposed U.S.-Mexico Free Trade Agreement could create intensified import competition for producers and processors of some fruits and vegetables.

Deterioration of rural infrastructure could adversely affect the viability of agricultural production and processing in some rural areas. Increased costs associated with acquiring inputs and/or marketing outputs could erode farm incomes and threaten financial survival.

Finally, changing government regulations at both the state and federal level could increase the labor costs faced by both farmers and processors. Worker safety and insurance, rural housing for migrant workers, changing immigration requirements, employer liability for farm accidents, and exposure to other hazards all have served to change production costs and ultimately influence the demand for agricultural labor.

Summary and Conclusions

Oregon's agriculture will certainly remain an important sector in the state's economy. Agriculture's long-run strength rests on the state's natural resource-based comparative advantage. Oregon farmers and processors are finding new opportunities in both domestic and international markets. One of the most rapidly growing segments of Oregon's agriculture is in the production of nursery crops. This is a high-valued and labor-intensive industry. Much of the new growth in this industry is being driven by overseas demand. Oregon's proximity to the high growth Pacific Rim economies promises to continue to drive this and related activities toward a greater contribution to the state's economy. While Oregon's agriculture will continue to change, it will remain an important contributor to the economic health and particularly to employment in a number of rural communities and subregions.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr.[2] 1991	Mar.[3] 1991	Apr. 1990	Apr.[2] 1991	Mar.[3] 1991	Apr. 1990	Apr.[2] 1991	Mar.[3] 1991	Apr. 1990
TOTAL MANUFACTURING[4]	$447.30	$446.55	$445.11	39.1	39.0	40.1	$11.44	$11.45	$11.10
Durable Goods	447.70	445.79	457.26	39.1	38.9	40.9	11.45	11.46	11.18
Lumber & Wood Products	433.44	421.13	453.99	38.7	37.5	40.9	11.20	11.23	11.10
Logging & Sawmills	465.68	453.28	479.12	39.1	37.9	40.5	11.91	11.96	11.83
Veneer & Plywood	404.74	416.80	457.29	37.2	38.7	41.8	10.88	10.77	10.94
Millwork & Structural	383.94	340.28	394.25	39.5	34.9	41.5	9.72	9.75	9.50
Mobile Homes	357.29	303.36	354.72	36.2	31.6	37.3	9.87	9.60	9.51
Other Wood Products	437.18	448.84	447.28	39.6	40.4	41.3	11.04	11.11	10.83
Furniture & Fixtures	356.38	385.97	355.34	34.4	37.4	34.6	10.36	10.32	10.27
Primary Metals	516.98	526.58	514.90	40.9	41.3	40.8	12.64	12.75	12.62
Fabricated Metals	420.42	423.77	410.94	38.5	38.7	39.4	10.92	10.95	10.43
Machinery (Ex Electrical)	445.96	444.24	447.23	39.5	39.7	40.4	11.29	11.19	11.07
Nondurable Goods	444.99	450.74	411.97	39.0	39.4	37.9	11.41	11.44	10.87
Food & Kindred Products	355.51	364.28	338.67	36.5	37.4	35.5	9.74	9.74	9.54
Canning & Preserving	297.85	307.34	276.89	35.0	36.2	33.4	8.51	8.49	8.29
Other Food Products	421.30	429.52	420.48	38.3	38.8	38.4	11.00	11.07	10.95
Textile Mill Products	272.70	278.54	257.40	38.3	38.0	36.0	7.12	7.33	7.15
Apparel	284.01	279.80	275.10	39.5	38.7	39.3	7.19	7.23	7.00
Paper & Allied Products	705.43	688.97	634.85	44.2	43.8	40.8	15.96	15.73	15.56
Printing & Publishing	471.58	496.52	445.70	38.0	38.7	37.9	12.41	12.83	11.76
Construction[4]	596.60	584.45	591.69	38.0	35.9	38.1	15.70	16.28	15.53
Communications & Utilities[5]	635.09	617.27	573.12	41.7	41.4	41.5	15.23	14.91	13.81
Trade[5]	273.73	275.55	336.06	31.0	31.1	35.6	8.83	8.86	9.44
Wholesale Trade	438.15	435.10	447.82	38.2	38.0	39.7	11.47	11.45	11.28
Retail Trade	219.84	220.70	278.39	28.7	28.7	33.5	7.66	7.69	8.31
Banking & Insurance[5]	377.83	387.23	375.39	36.4	36.6	38.7	10.38	10.58	9.70
State & Local Government	422.86	421.37	401.73						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Prior to 1991, data for retail trade excludes eating and drinking places.

July 1991

WORKFORCE DEVELOPMENT CROSSES INTERNATIONAL BOUNDARIES

Nancy Hargis

The development of the Oregon workforce is one of the top priorities of Governor Barbara Roberts. One component of her strategy is the establishment of a Workforce Quality Council to oversee and provide policy direction for the range of education, job training and placement services. The council, comprised of leaders of both state and local government and the private sector, will work with the governor and legislature to set an agenda for enhancing the development of the state's workforce. Regional workforce councils will follow through with the state's initiatives through greater levels of coordination and communication.

Why are these important steps? A report by the Legislative Fiscal Office in 1990 indicated that over a dozen state agencies are responsible for education and training programs costing in excess of $250 million dollars. Each program has its client group, target population, goals, objectives, regulations and funding. Fiscal constraints abound at every level, with competition among public agencies and the private sector for scarce resources. While coordinated planning is emerging in many regions of the state, much more can be done. Establishing clear policies and increasing coordination among diverse groups are two of the Oregon Workforce Quality Council's first priorities.

Are these situations and problems unique to Oregon? Perhaps thankfully, they are not. Throughout the country and indeed around the world, both industrialized and developing nations face similar scenarios.

The following extracts from "Occupational Information and International Development, Improving HRD Diagnostics" by John E. S. Lawrence of the United Nations Development Program, summarize both the challenges and opportunities Oregon faces as it strives to improve its workforce development systems.

"Worldwide, serious human resources problems provide a menacing backdrop to efforts directed toward stable economic development and improvement of the quality of life for all individuals. The specifics of these problems vary across nations, and between the more or less industrialized countries, and it is important to note that there is no prescribed linear path to "development" that all nations follow. However, there are some similarities in HRD issues facing most countries today. One shared overall dimension is the concern over the relationship between work force skills, productivity, and international competitive position.

"While the details may be quite different, most nations share perceptions of inadequacy in educational systems' capacity to keep pace with "upstream" needs as represented by the changing demographics of educational supply. Countries are equally concerned about shortcomings in linkages "downstream" between education and productive employment.

"In the face of these difficulties, the need is apparent for more coordinated HRD strategies that explicitly recognize and articulate these upstream and downstream factors in the educational policy environment. Education is only one, albeit a critical one, of the components in the entire complex of public agencies concerned with preparation and effective performance of individuals in productive societal roles. Health, employment, trade, and industrial policy all affect the development and contributions of human resources to economic progress.

"The increased complexity and uncertainties associated with the resulting HRD environment require different kinds of problem-solving in terms of both public policy and individual decisions. A new premium is thus placed on the amount and type of information needed to support these decisions. Techniques are needed to design where necessary, but more practically in the current climate of fiscal austerity, to adapt existing labor market information more effectively to assist both public agency decision making and individual consumer and entrepreneurial choice relating to education, training, employment, and economic development."

Dr. Lawrence's paper is one in a series of Occasional Papers published in 1990 by the National Occupational Information Coordinating Committee. Single copies are available from the Northwest Regional Educational Laboratory, 101 SW Main Street, Suite 500, Portland, Oregon 97204. Telephone 1-800-547-6339 ext. 518.

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